



GVNW CONSULTING, INC.

2270 LA MONTANA WAY #200  
COLORADO SPRINGS, CO 80918  
TEL. 719.594.5800  
FAX 719.594.5803  
[www.gvnw.com](http://www.gvnw.com)

REDACTED – FOR PUBLIC INSPECTION

June 23, 2017

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 Twelfth Street S.W.  
Room 5-A225  
Washington, D.C. 20554

*Via ECFS*

**RE: FCC FORM 481 – CARRIER ANNUAL REPORTING DATA COLLECTION  
CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE  
ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION (FILED  
IN DOCKET 14-58) AND CONFIDENTIAL FINANCIAL INFORMATION FILED  
PURSUANT TO SECTIONS .457 AND .459 OF THE FEDERAL  
COMMUNICATIONS COMMISSION RULES**

Dear Ms. Dortch,

McDonald County Telephone Company (McDonald County) hereby submits the attached redacted and confidential versions of its “FCC Form 481 – Carrier Annual Reporting Data Collection” financial information pursuant to sections §54.313 and §54.422 of the Commission’s rules, as filed with the Universal Service Administrative Company.

Section 3005 of Form 481 requires the filing of financial information per 47 C.F.R. §54.313(f)(2). McDonald County maintains that this information is “Confidential Financial Information” on the grounds that it is competitively sensitive information which could be used to disadvantage or harm XXX, and is submitting this information pursuant to Protective Order, DA 12-1857 as described below.

First, McDonald County is submitting the 54.313(f)(2) “Confidential Financial Information” as a “Stamped Confidential Document” with each page bearing the legend CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION and also submitting the .457 and .459 “Confidential Financial Information” as a “Stamped Confidential Document” with each page labeled “CONFIDENTIAL FINANCIAL INFORMATION - SUBJECT TO PROTECTIVE

REDACTED - FOR PUBLIC INSPECTION

Marlene H. Dortch, Secretary

Page - 2 -

ORDER BEFORE THE FEDERAL COMMUNICATIONS COMMISSION. One copy of the “Stamped Confidential Document(s)” and accompanying cover letter are enclosed.

Second, McDonald County is submitting the “Stamped Confidential Document(s)” as a “Redacted Confidential Document” where the “Confidential Financial Information” has been redacted. One copy of the “Redacted Confidential Document(s)” and accompanying cover letter with each page labeled “REDACTED - FOR PUBLIC INSPECTION” are being filed through the Commission’s Electronic Comment Filing System (“ECFS”).

FCC Form 481 will also be filed with the State Commission.

If you have any questions, please contact me at [jushio@gvnw.com](mailto:jushio@gvnw.com) or 719-594-5814.

Sincerely,

/s/ Judi Ushio

Judi Ushio  
Midwest Division Manager

Encl.

**FCC Form 481 - Carrier Annual Reporting  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	421912
<015> Study Area Name	MCDONALD COUNTY TEL
<020> Program Year	2018
<030> Contact Name: Person USAC should contact with questions about this data	Andy Schein
<035> Contact Telephone Number: Number of the person identified in data line <030>	7195945820 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	aschein@gvnm.com
Form Type	54.313 and 54.422

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnr.com

<210> For the prior calendar year, were there any reportable voice service outages? No

[illegible]

**(300) Unfulfilled Service Request  
Data Collection Form**FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code	421912
<015> Study Area Name	MCDONALD COUNTY TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein
<035> Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@grnv.com
<300> Unfulfilled service request (voice)	<div>0</div>
<310> Detail on attempts (voice)	<div>Name of Attached Document</div>
<320> Unfulfilled service request (broadband)	<div>0</div>
<330> Detail on attempts (broadband)	<div>Name of Attached Document</div>

(400) Number of Complaints per 1,000 customers  
Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvva.com
<400>	Select from the drop-down list to indicate how you would like to report voice complaints (zero or greater) for voice telephony service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed voice
<410>	Complaints per 1000 customers for fixed voice	0.0
<420>	Complaints per 1000 customers for mobile voice	
<430>	Select from the drop-down list to indicate how you would like to report end-user customer complaints (zero or greater) for broadband service in the prior calendar year for each service area in which you are designated an ETC for any facilities you own, operate, lease, or otherwise utilize.	Offered only fixed broadband
<440>	Complaints per 1000 customers for fixed broadband	0.0
<450>	Complaints per 1000 customers for mobile broadband	

REDACTED - FOR PUBLIC INSPECTION

**[500] Compliance With Service Quality Standards and Consumer Protection Rules**  
**Data Collection Form**

FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gymn.com
<500>	Certify compliance with applicable service quality standards and consumer protection rules	Yes
<510>	Descriptive document for Service Quality Standards & Consumer Protection Rules Compliance	
<515>	Certify compliance with applicable minimum service standards	

REDACTED - FOR PUBLIC INSPECTION

**(600) Functionality in Emergency Situations**  
 Data Collection Form

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvrm.com
<600>	Certify compliance regarding ability to function in emergency situations	Yes
<610>	Descriptive document for Functionality in Emergency Situations	421912mo610.pdf

REDACTED - FOR PUBLIC INSPECTION



<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	18.0

[illegible]

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7185945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnm.com

[illegible]

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnw.com
<810>	Reporting Carrier	McDonald County Telephone Company
<811>	Holding Company	McDonald County Communications
<812>	Operating Company	McDonald County Telephone Company

Page 9

(900) Tribal Lands Reporting  
Data Collection FormFCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7196945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnm.com

&lt;900&gt; Does the filing entity offer tribal land services? (Y/N) No

&lt;910&gt; Tribal Land(s) on which ETC Serves

&lt;920&gt; Tribal Government Engagement Obligation

Name of Attached Document

If your company serves Tribal lands, please select (Yes, No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions.
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select Yes or No or Not Applicable

**(1000) Voice and Broadband Service Rate Comparability**  
 Data Collection Form

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnw.com

<1000>	Voice services rate comparability certification	Yes
<1010>	Attach detailed description for voice services rate comparability compliance	421912mol010.pdf  Name of Attached Document
<1020>	Broadband comparability certification	Yes - Pricing is no more than the most recent applicable benchmark announced by the Wireline Competition Bureau
<1030>	Attach detailed description for broadband comparability compliance	421912mol030.pdf  Name of Attached Document

<b>(1100) No Terrestrial Backhaul Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
--	--

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvwn.com

<1100>	Certify whether terrestrial backhaul options exist (Y/N)	<div>Yes</div>
--------	--	----------------

<1130>	Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).	<div></div>
--------	---	-------------

(1200) Terms and Condition for Lifeline Customers Lifeline Data Collection Form	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnm.com

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

421912mol210.pdf

Name of Attached Document

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

<1221>	Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,	<input checked="" type="checkbox"/>
<1222>	Details on the number of minutes provided as part of the plan,	<input checked="" type="checkbox"/>
<1223>	Additional charges for toll calls, and rates for each such plan.	<input checked="" type="checkbox"/>

(2005) Price Cap Carrier Additional Documentation	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers	July 2013

<010> Study Area Code	421912
<015> Study Area Name	MCDONALD COUNTY TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein
<035> Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnm.com

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

#### Incremental Connect America Phase I reporting

<2011>	3rd Year Certification 47 CFR §54.313(b)(1)(ii) - Note that for the July 2017 certification, this applies to Round 2 recipients of Incremental Support.	<input type="text"/>	
<2022>	Recipient certifies, representing year three after filing a notice of acceptance of funding pursuant to 54.312(c), that the locations in question are not receiving support under the Broadband Initiatives Program or the Broadband Technology Opportunities Program for projects that will provide broadband with speeds of at least 4 Mbps/1Mbps - 54.313(b)(2)(i). Round 2 recipients only.	<input type="text"/>	
<2023>	The attachment on line 2024 includes a statement of the total amount of capital funding expended in the previous year in meeting Connect America Phase I deployment obligations, accompanied by a list of census blocks indicating where funding was spent. This covers year three - 54.313(b)(2)(ii). Round 2 recipients only.	<input type="text"/>	
<2024A>	Round 2 Recipient of Incremental Support?	<input type="text"/>	<input type="text"/>
<2024B>	Attach list of census blocks indicating where funding was spent in year three - 54.313(b)(2)(ii). Round 2 recipients only.	Name of Attached Document Listing Required Information	<input type="text"/>
<2025A>	Round 2 Recipient of Incremental Support?	<input type="text"/>	
<2025B>	Attach geocoded Information for Phase I milestone reports (Round 2 for year three) - Connect America Fund , WC Docket 10-90, Report and Order, FCC 13-73, paragraph 35 (May 22, 2013).	Name of Attached Document Listing Required Information	<input type="text"/>
<2015>	2016 and future Frozen Support Certification 47 CFR § 54.313(c)(4)	<input type="text"/>	



**(2005) Price Cap Carrier Additional Documentation**

Data Collection Form

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

&lt;2016&gt; Certification support used to build broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

&lt;2017A&gt; Connect America Fund Phase II recipient?

&lt;2017C&gt; Total amount of Phase II support, if any, the price cap carrier used for capital expenditures in 2016.

&lt;2018&gt; Attach the number, names, and addresses of community anchor institutions to which the carrier newly began providing access to broadband service in the preceding calendar year - 54.313(e)(1)(ii)(A)

Name of Attached Document Listing  
Required Information

&lt;2019&gt; Recipient certifies that it bid on category one telecommunications and Internet access services in response to all FCC Form 470 postings seeking broadband service that meets the connectivity targets for the schools and libraries universal service support program for eligible schools and libraries located within any area in a census block where the carrier is receiving Phase II model-based support, and that such bids were at rates reasonably comparable to rates charged to eligible schools and libraries in urban areas for comparable offerings - 54.313(e)(1)(ii)(C)

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnw.com

Select from the drop down menu or check the boxes below to note compliance with 54.313(f)(1). Privately held carriers must ensure compliance with the financial reporting requirements set forth in 47 CFR 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3009)	Progress Report on 5 Year Plan Carrier certifies to 54.313(f)(1)(iii)	Yes - Attach Certification	
(3010A)	Certification of Public Interest Obligations {47 CFR § 54.313(f)(1)(i)}	421912mo3010.pdf	
(3010B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3012A)	Community Anchor Institutions {47 CFR § 54.313(f)(1)(ii)}	No - No New Community Anchors	
(3012B)	Please Provide Attachment	Name of Attached Document Listing Required Information	
(3013)	Is your company a Privately Held ROR Carrier {47 CFR § 54.313(f)(2)}	(Yes/No)	<input checked="" type="radio"/> <input type="radio"/>
(3014)	If yes, does your company file the RUS annual report	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
Please check these boxes to confirm that the attached PDF, on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:			
(3015)	Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)		<input type="checkbox"/>
(3016)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3017)	If the response is yes on line 3014, attach your company's RUS annual report and all required documentation	Name of Attached Document Listing Required Information	
(3018)	If the response is no on line 3014, is your company audited?	(Yes/No)	<input type="radio"/> <input checked="" type="radio"/>
If the response is yes on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3019)	Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input type="checkbox"/>
(3020)	Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows		<input type="checkbox"/>
(3021)	Management letter and/or audit opinion issued by the independent certified public accountant that performed the company's financial audit.		<input type="checkbox"/>
If the response is no on line 3018, please check the boxes below to confirm your submission on line 3026 pursuant to § 54.313(f)(2), contains:			
(3022)	Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers		<input checked="" type="checkbox"/>
(3023)	Underlying information subjected to a review by an independent certified public accountant		<input checked="" type="checkbox"/>
(3024)	Underlying information subjected to an officer certification.		<input checked="" type="checkbox"/>
(3025)	Document(s) with Balance Sheet, Income Statement and Statement of Cash Flows		<input checked="" type="checkbox"/>
(3026)	Attach the worksheet listing required information	Name of Attached Document Listing Required Information	421912mo3026.pdf

REDACTED - FOR PUBLIC INSPECTION

(3005) Rate Of Return Carrier Additional Documentation (Continued)	FCC Form 481
Data Collection Form	OMB Control No. 3060-0986/OMB Control No. 3060-0819
	July 2013

<010> Study Area Code	421912
<015> Study Area Name	MCDONALD COUNTY TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein
<035> Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@gvny.com

**Financial Data Summary**

- (3027) Revenue
- (3028) Operating Expenses
- (3029) Net Income
- (3030) Telephone Plant In Service(TPIS)
- (3031) Total Assets
- (3032) Total Debt
- (3033) Total Equity
- (3034) Dividends


<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvzw.com

**4005 Rural Broadband Experiment**

Authorized Rural Broadband Experiment (RBE) recipients must address the certification for public interest obligations, provide a list of newly served community anchor institutions, and provide a list of locations where broadband has been deployed.

**Public Interest Obligations – FCC 14-98 (paragraphs 26-29, 78)**

Please address Line 4001 regarding compliance with the Commission's public interest obligations. All RBE participants must provide a response to Line 4001.

**4001.** Recipient certifies that it is offering broadband to the identified locations meeting the requisite public interest obligations consistent with the category for which they were selected, including broadband speed, latency, usage capacity, and rates that are reasonably comparable to rates for comparable offerings in urban areas?

**Community Anchor Institutions – FCC 14-98 (paragraph 79)**

**4003a.** RBE participants must provide the number, names, and addresses of community anchor institutions to which they newly deployed broadband service in the preceding calendar year. On this line, please respond (yes – attach new community anchors, no – no new anchors) to indicate whether this list will be provided.

**If yes to 4003A, please provide a response for 4003B.**

**4003b.** Provide the number, names and addresses of community anchor institutions to which the recipient newly began providing access to broadband service in the preceding calendar year.

Name of Attached Document Listing Required Information

**Broadband Deployment Locations – FCC 14-98 (paragraph 80)**

**4004a.** Attach a list of geocoded locations to which broadband has been deployed as of the June 1st immediately preceding the July 1st filing deadline for the FCC Form 481.

Name of Attached Document Listing Required Information

**4004b.** Attach evidence demonstrating that the recipient is meeting the relevant public service obligations for the identified locations. Materials must at least detail the pricing, offered broadband speed and data usage allowances available in the relevant geographic area.

Name of Attached Document Listing Required Information

**Certification - Reporting Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnmw.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier:	
Signature of Authorized Officer:	Date
Printed name of Authorized Officer:	
Title or position of Authorized Officer:	
Telephone number of Authorized Officer:	
Study Area Code of Reporting Carrier:	Filing Due Date for this form:
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**Certification - Agent / Carrier  
Data Collection Form**

 FCC Form 481  
 OMB Control No. 3060-0986/OMB Control No. 3060-0819  
 July 2013

<010> Study Area Code	421912
<015> Study Area Name	MCDONALD COUNTY TEL
<020> Program Year	2018
<030> Contact Name - Person USAC should contact regarding this data	Andy Schein
<035> Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	aschein@gvwn.com

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I certify that (Name of Agent) <u>GVNW Consulting, Inc.</u> is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: <u>GVNW Consulting, Inc.</u>	
Name of Reporting Carrier: <u>MCDONALD COUNTY TEL</u>	
Signature of Authorized Officer: <u>CERTIFIED ONLINE</u>	Date: <u>06/23/2017</u>
Printed name of Authorized Officer: <u>Ross Babbitt</u>	
Title or position of Authorized Officer: <u>President</u>	
Telephone number of Authorized Officer: <u>4172234313 ext.</u>	
Study Area Code of Reporting Carrier: <u>421912</u>	Filing Due Date for this form: <u>07/03/2017</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: <u>MCDONALD COUNTY TEL</u>	
Name of Authorized Agent Firm: <u>GVNW Consulting, Inc.</u>	
Signature of Authorized Agent or Employee of Agent: <u>CERTIFIED ONLINE</u>	Date: <u>06/23/2017</u>
Name of Authorized Agent Employee: <u>Andy Schein</u>	
Title or position of Authorized Agent or Employee of Agent: <u>Sr. Consultant</u>	
Telephone number of Authorized Agent or Employee of Agent: <u>7195945800 ext.</u>	
Study Area Code of Reporting Carrier: <u>421912</u>	Filing Due Date for this form: <u>07/03/2017</u>
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gunw.com

<701>	Residential Local Service Charge Effective Date	1/1/2017
<702>	Single State-wide Residential Local Service Charge	18.0

<703>

[illegible]



<p>(710) Broadband Price Offerings Data Collection Form</p>	<p>FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013</p>
---	---

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	421912
<015>	Study Area Name	MCDONALD COUNTY TEL
<020>	Program Year	2018
<030>	Contact Name - Person USAC should contact regarding this data	Andy Schein
<035>	Contact Telephone Number - Number of person identified in data line <030>	7195945820 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	aschein@gvnm.com

[illegible]



## **McDonald County Telephone Service Quality Standards & Consumer Protection Rules Compliance:**

### **Consumer Protection**

#### Voice and Broadband

McDonald County Telephone (MCT) complies with the requirements of 47CFR Part 64 Subpart U, Customer Proprietary Network Information and the Federal Trade Commission Red Flag Rules to prevent identity threat. A manual for each of those programs is in place and is part of the employees' handbook. Employee training is conducted annually and new hires are instructed on the programs as required by their job functions.

### **Service Quality Standards**

#### Voice

MCT complies with the consumer protection, quality of service standard, service objective level, customer inquiry and customer dispute provisions of the state of Missouri as promulgated in Missouri Code of State Regulations 4 CSR 240 Chapters 32 and 33 (even though compliance with these regulations has been waived by the Missouri Public Service Commission). MCT is committed to providing the highest quality service to its customers.

#### Broadband

MCT complies with the service standards as established by state regulatory commission. MCT follows the service standards noted in NECA Tariff #5 and is committed to provide the highest quality service to its broadband customers.

## **McDonald County Telephone Description of Functionality In Emergency Situations**

### Back-up Power for Both Voice and Broadband Services

McDonald County Telephone (MCT) prides itself on updating and maintaining all its plant and equipment to prevent outages before they happen. If outages do happen, the Company has 24-hour on-call staff and alarm reporting systems in place that send notifications to the 24-hour personnel monitoring these systems. The Company certifies that it follows best practices that are designed to allow them to remain functional in an emergency situation through the use of back-up power to ensure functionality in the event of a limited commercial power failure.

The Company utilizes battery back-up (AC and DC power) systems and standby generators in all its central offices. This enables the company to sustain a power outage for at least 4-5 days for the Jane exchange, and indefinitely for the Anderson and Pineville exchanges. MCT also has mobile generators that allow for another source of back-up power in case of back-up failure.

The Company performs exercises to test disaster preparedness on each site's back-up power systems, which are tested weekly. Major transport facilities are also tested periodically to ensure failover reliability.

### Ability to reroute traffic/data around damaged facilities

MCT does have redundant interexchange facilities to the tandem that would allow it to reroute traffic to its connecting company/toll tandem if needed. The Company also has redundant facilities between its exchanges. Thus, in case of damaged CWF facilities, the Company has the ability to reroute traffic most areas.

### Capability to manage traffic/data spikes resulting from emergency situations

The Company has 3,100+ local service customers, switching capacity of 250,000 simultaneous calls in all exchanges and transport capacity for 168,000 (Anderson exchange) and 312,000 (Pineville exchange) simultaneous calls. The Company also serves over 1900+ broadband customers through its ISP affiliate. MCT takes no responsibility for the capabilities of interconnected networks to manage traffic spikes resulting from emergency situations, but will continue its best efforts for its networks during such events.

## McDonald County Telephone Voice Service Rate Comparability

As evidenced by the data provided in line 700 of this Form 481, McDonald's voice service pricing is no more than 2 standard deviations above the national average urban rate (\$49.51) as announced by the Wireline Competition Bureau on February 14, 2017 (DA 17-167).

## McDonald County Telephone Company Broadband Services Rate Comparability

McDonald County Telephone Company Broadband Services pricing meets the FCC's broadband public interest obligations because it offers broadband service as shown on Line 710 of its Form 481 filing, at actual speeds of at least 10 Mbps downstream / 1 Mbps upstream at no more than the applicable benchmark for broadband services announced by the Bureau on February 14, 2017 (DA17-167).

## McDONALD COUNTY TELEPHONE COMPANY

### Missouri Application for the Lifeline or Disabled Programs

Consumers meeting certain eligibility criteria are able to receive monthly discounts for voice telephony service through the Lifeline program or the Disabled program. Lifeline service offers a monthly discount of \$15.75. The Disabled program offers a \$6.50 monthly discount. To apply complete this form and also submit **proof of eligibility**.

Eligibility Criteria	
Lifeline Program	Disabled Program
<input type="checkbox"/> MO HealthNet (f/k/a Medicaid) <input type="checkbox"/> Supplemental Nutrition Assistance (Food Stamps) <input type="checkbox"/> Supplemental Security Income <input type="checkbox"/> Veterans and Survivors Pension Benefit <input type="checkbox"/> Federal Public Housing Assistance (Section 8) <input type="checkbox"/> 135% of the Federal Poverty Level <i>(See next page for income threshold requirements)</i>	<input type="checkbox"/> Veteran Administration Disability Benefits <input type="checkbox"/> State Blind Pension <input type="checkbox"/> State Aid to Blind Persons <input type="checkbox"/> State Supplemental Disability Assistance <input type="checkbox"/> Federal Social Security Disability

**Lifeline Program – Choose ONE service to apply the discount:** *(check with provider for availability)*

☐ Telephone    
 ☐ Broadband Internet Access Service (“BIAS”)    
 ☐ Service Bundle (Phone and BIAS)

<b>Applicant's Full Name:</b>	<b>Birth Date:</b>	<b>Social Security # (last 4 digits):</b>	<b>DCN:*</b>
<b>Name on Voice Service Account</b> <i>(If different from Applicant):</i>		<b>Customer Contact Telephone Number:</b>	
<b>Customer's Full Residential Service Address</b> <i>(no P.O. Boxes):</i> Street:  City, Town, Zip:		<b>Is this address a temporary address?</b> Yes / No <i>(circle the appropriate response)</i> <i>(If “yes” then must verify address every 90 days.)</i>	
		<b>Is this address occupied by multiple households?</b> Yes/No <i>(circle the appropriate response)</i> <i>(If “yes” or if Lifeline program records indicate another person at this address is already receiving a Lifeline Program benefit then you must complete the separate Lifeline Household Worksheet.)</i>	
<b>Is this address also my billing address?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(If “no” please provide billing address):</i>			

*\*This number is assigned to program participants of MO HealthNet and Food Stamps.*

**I understand the following obligations and provisions about the Lifeline and Disabled programs:**

- The Lifeline and Disabled programs are government benefit programs and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- Only one Lifeline or Disabled service is available per household.
- A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses.
- A household is not permitted to receive Lifeline or Disabled benefits from multiple providers or combine Lifeline and Disabled program benefits.

- Violation of the one-per-household limitation constitutes a violation of rules and will result in the subscriber's de-enrollment from the program.
- Lifeline and the Disabled program are non-transferable benefits and the subscriber may not transfer his or her benefit to any other person.

**I hereby certify under penalty of perjury that (please initial next to each statement):**

☐

I meet the eligibility criteria for the Lifeline program or the Disabled program.

☐

I will provide notification to my voice service provider within 30 days if for any reasons I no longer satisfy the criteria for receiving Lifeline or Disabled benefits including, as relevant, if I no longer meet the income-based or program-based criteria for receiving Lifeline or Disabled support, I receive more than one Lifeline or Disabled benefit, or another member of my household is receiving a Lifeline or Disabled benefit.

☐

If I move to a new address I will provide that new address to my voice service provider within 30 days.

☐

If I have a temporary residential address then I will be required to verify my address with my voice service provider every 90 days.

☐

My household will receive only one Lifeline or Disabled service and, to the best of my knowledge, my household is not already receiving a Lifeline or Disabled service.

☐

I acknowledge the obligation to re-certify my continued eligibility for Lifeline or Disabled benefits at any time and failure to re-certify my continued eligibility will result in de-enrollment and the termination of Lifeline or Disabled benefits.

☐

I consent to providing my name, telephone number and address to the Universal Service Administrative Company for the purpose of verifying I do not receive more than one Lifeline benefit. I also consent to sharing my account information with the Federal Communications Commission and Missouri Public Service Commission who oversee and administer the Lifeline or Disabled programs.

☐

I certify I have \_\_\_\_\_ individuals in my household.  
(Initial and complete only if qualifying under income threshold.)

**The information supplied on this form is true and correct.**

**I acknowledge providing false or fraudulent information to receive Lifeline or Disabled benefits is punishable by law.**

\_\_\_\_\_  
**Signature of Customer**

\_\_\_\_\_  
**Date**

**Submit a completed signed form and proof of eligibility.**

Annual Income Thresholds for Meeting 135% of Federal Poverty Level (Based on Household Size)								
1	2	3	4	5	6	7	8	Each add'l person
\$16,281	\$21,924	\$27,567	\$33,210	\$38,853	\$44,496	\$50,139	\$55,782	+ \$5,643/person

*Acceptable documentation for meeting the criteria of 135% of the federal poverty level includes: a copy of prior year's state or federal tax return; paycheck stub (three consecutive months); a statement of benefits for Social Security, Veterans Administration, retirement/pension or Unemployment/Workmen's Compensation; or other legal documents showing current income (e.g. divorce decree, child support award). Any documentation must cover a full year or three consecutive months within the previous twelve months.*

**Company Use Only:**

**I hereby attest the applicant presented acceptable proof of eligibility:**

\_\_\_\_\_  
**Print name of company official**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**



McDonald County Telephone Company

P.S.C. MO. NO. 5  
3<sup>rd</sup> Revised Sheet No. 4-17  
Replaces 2<sup>nd</sup> Revised Sheet No. 4-17

---

**LOCAL EXCHANGE SERVICE****4. Local Exchange Service (Cont'd)****4.7 Lifeline Service****A. General**

1. Lifeline Service is available to qualifying low-income subscribers for single party residence service.
2. The monthly discount will be the maximum amount allowed by the Missouri Public Service Commission and the Federal Communications Commission; however, this discount will not exceed the sum of the federal subscriber line charge and the recurring charges for voice telephony service. The monthly discount will be the same for Lifeline customers solely subscribing to voice telephony service and for Lifeline customers subscribing to a bundle of services.
3. Lifeline Service will not be furnished on a Foreign Exchange service.
4. Lifeline Service shall not be disconnected for non-payment of toll charges providing the Lifeline customer subscribes to Toll Blocking Service.
5. Toll Blocking Service provides a means of restricting access to the Long Distance Message Telecommunications Network. Toll Blocking for the purposes of Lifeline Service will restrict 1+, 0+ and 0- (operator handled) calls.
  - a. If the customer chooses "Toll Blocking Service" the company will not charge a service deposit.
  - b. Toll Blocking Service is offered to Lifeline subscribers at no charge.

(C)

(C)

(D)

Issued: March 19, 2012

Effective: April 18, 2012

Ross Babbitt, President  
McDonald County Telephone Company  
P.O. Box 207  
Pineville, MO 64856**REDACTED - FOR PUBLIC INSPECTION**FILED  
Missouri Public  
Service Commission  
JI-2012-0483

McDonald County Telephone Company

P.S.C. MO. NO. 5  
 2<sup>nd</sup> Revised Sheet No. 4-18  
 Replaces 1<sup>st</sup> Revised Sheet No. 4-18

---

LOCAL EXCHANGE SERVICE

4. Local Exchange Service (Cont'd)

4.7 Lifeline Service (Cont'd)

B. Eligibility Requirements

1. An applicant must meet all of the following criteria in order to qualify for Lifeline Service:

- a. To qualify for Lifeline the consumer must participate in one of the following programs:

1. Medicaid
2. Food stamps
3. Supplemental Security Income (SSI)
4. Federal Public Housing Assistance or Section 8
5. Low Income Home Energy Assistance Program
6. Temporary Assistance to Needy Families (TANF)
7. National Free Lunch Program
8. The customer's income, as defined in 47 CFR Section 54.400(f), must be at or below 135% of the Federal Poverty Guidelines (eff. June 1, 2012).

(N)

- b. The customer must sign, under penalty of perjury a document certifying:

1. He/she is receiving benefits from one of the programs in B.1.a above.
2. Name of the program(s) from which they are receiving benefits.
3. That he/she will notify the company if he/she no longer participates in the program(s) named in a. preceding.

- c. The premises at which the residence service is requested must be the applicant's principal place of residence.

- d. There is only one telephone line serving the residence premises. The residence premises household (dwelling unit) shall consist of that portion of an individual house or building or one flat or apartment occupied by a single family or individuals functioning as one domestic establishment.

- e. Customer Annual Responsibility

(N)

All Lifeline customers as of June 1, 2012 must certify with the Company that they are still eligible for Lifeline support by December 31 each year. Customers may certify in person, over the phone or in writing. Customers will not be required to provide verifying documentation.

- f. Access Recovery Charge (ARC)

Eligible Lifeline customers are exempt from ARC (effective July 1, 2012).

(N)

---

Issued: March 19, 2012

Effective: April 18, 2012

Ross Babbitt, President  
 McDonald County Telephone Company  
 P.O. Box 207  
 Pineville, MO 64856

FILED  
 Missouri Public  
 Service Commission  
 JI-2012-0483

REDACTED - FOR PUBLIC INSPECTION

## McDonald County Telephone Company Lifeline

### 54.313 Lifeline customers MOU and additional toll charges

Lifeline subscribers receive the same residential service as a regular subscriber, but at a reduced monthly recurring rate. Thus, lifeline subscribers have an unlimited number of local calling minutes. As for toll, lifeline subscribers, similar to every McDonald's subscriber, are free to choose their own toll usage plans through IXC's that serve McDonald's.



# McDonald County Telephone Company

[www.olemac.net](http://www.olemac.net)

Phone: Area Code 417-223-4313

Fax: Area Code 417-223-4191

P.O. Box 207

serving: Anderson, Jane and Pineville, Missouri

Pineville, Missouri 64856-0207

June 1, 2017

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
9300 East Hampton Drive  
Capitol Heights, MD 20743

Re: WC Docket No. 14-58, 2015 Annual Report, Form 481 for High-Cost Recipient  
54.313(f)(1) "Public Interest Obligation"

Dear Ms. Dortch:

In compliance with the filing requirements associated with, and attached to Form 481, we wish to advise the Commission that McDonald County Telephone Company provides High Speed Internet service to its customers and:

- Has taken reasonable steps to provide upon reasonable request broadband service at actual speeds of 10 Mbps downstream / 1 Mbps upstream;
- Provides latency suitable for real-time applications including VoIP and usage capacity which is reasonably comparable to those in urban areas and;
- That reasonable requests for service are met within a reasonable timeframe.

If there are questions, I may be contacted at 417.223.4313.

Sincerely,

Ross M. Babbitt  
President

(3005a) Operating Report for Privately-Held Rate of Return Carriers		FCC Form 481	
Balance Sheet - Data Collection Form		OMB Control No. 3060-0906	
Page 1 of 3		July 2013	
<010> Study Area Code		<010>	
<015> Study Area Name		<015>	
<020> Program Year		<020>	
<030> Contact Name - Person USAC should contact regarding this data		<030>	
<035> Contact Telephone Number - Number of person identified in data line <030>		<035>	
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>		<039>	
<input type="checkbox"/> Filed as reviewed single company		<input type="checkbox"/> Filed as audited single company	
<input type="checkbox"/> Filed as reviewed consolidated company		<input type="checkbox"/> Filed as audited consolidated company	
<input type="checkbox"/> Filed as subsidiary of reviewed consolidated company		<input type="checkbox"/> Filed as subsidiary of audited consolidated company	

**CERTIFICATION**

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.

Signature	Date

**PART A. BALANCE SHEET**

ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 thru 9)			39. Funded Debt-Other		
			40. Funded Debt-Rural Develop. Loan		
<b>NONCURRENT ASSETS</b>			41. Premium (Discount) on L/T Debt		
11. Investment in Affiliated Companies			42. Recquired Debt		
a. Rural Development			43. Obligations Under Capital Lease		
b. Nonrural Development			44. Adv. From Affiliated Companies		
12. Other Investments			45. Other Long-Term Debt		
a. Rural Development			46. Total Long-Term Debt (36 thru 45)		
b. Nonrural Development			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
13. Nonregulated Investments			47. Other Long-Term Liabilities		
14. Other Noncurrent Assets			48. Other Deferred Credits		
15. Deferred Charges			49. Other Jurisdictional Differences		
16. Jurisdictional Differences			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
17. Total Noncurrent Assets (11 thru 16)			<b>EQUITY</b>		
			51. Cap. Stock Outstanding & Subscribed		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			52. Additional Paid-in-Capital		
18. Telecom, Plant-in-Service			53. Treasury Stock		
19. Property Held for Future Use			54. Membership and Cap. Certificates		
20. Plant Under Construction			55. Other Capital		
21. Plant Adj., Nonop. Plant & Goodwill			56. Patronage Capital Credits		
22. Less Accumulated Depreciation			57. Retained Earnings or Margins		
23. Net Plant (18 thru 21 less 22)			58. Total Equity (51 thru 57)		
24. TOTAL ASSETS (10+17+23)			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

(3005b) Operating Report for Privately-Held Rate of Return Carriers  
Balance Sheet - Data Collection Form  
Page 2 of 3

FCC Form 481  
OMB Control No. 3060-0986  
July 2013

<010> Study Area Code  
<015> Study Area Name  
<020> Program Year  
<030> Contact Name - Person USAC should contact regarding this data  
<035> Contact Telephone Number - Number of person identified in data line <030>  
<039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 421912  
<015> McDonald County  
<020> 2018  
<030> Andy Schein, GVNW Consulting Inc.  
<035> 719-594-5820  
<039> aschein@gvnw.com

PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS		
ITEM	PRIOR YEAR	THIS YEAR
1. Local Network Services Revenues		
2. Network Access Services Revenues		
3. Long Distance Network Services Revenues		
4. Carrier Billing and Collection Revenues		
5. Miscellaneous Revenues		
6. Uncollectible Revenues		
7. Net Operating Revenues (1 thru 5 less 6)		
8. Plant Specific Operations Expense		
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)		
10. Depreciation Expense		
11. Amortization Expense		
12. Customer Operations Expense		
13. Corporate Operations Expense		
14. Total Operating Expenses (8 thru 13)		
15. Operating Income or Margins (7 less 14)		
16. Other Operating Income and Expenses		
17. State and Local Taxes		
18. Federal Income Taxes		
19. Other Taxes		
20. Total Operating Taxes (17+18+19)		
21. Net Operating Income or Margins (15+16-20)		
22. Interest on Funded Debt		
23. Interest Expense - Capital Leases		
24. Other Interest Expense		
25. Allowance for Funds Used During Construction		
26. Total Fixed Charges (22+23+24-25)		
27. Nonoperating Net Income		
28. Extraordinary Items		
29. Jurisdictional Differences		
30. Nonregulated Net Income		
31. Total Net Income or margins (21+27+28+29+30-26)		
32. Total Taxes Based on Income		
33. Retained Earnings or Margins Beginning-of-Year		
34. Miscellaneous Credits Year-to-Date		
35. Dividends Declared (Common)		
36. Dividends Declared (Preferred)		
37. Other Debits Year-to-Date		
38. Transfers to Patronage Capital		
39. Retained Earnings or Margins end-of-Period [(31+33+34)-(35+36+37+38)]		
40. Patronage Capital Beginning-of-Year		
41. Transfers to Patronage Capital		
42. Patronage Capital Credits Retired		
43. Patronage Capital End-of-Year (40+41-42)		
44. Annual Debt Service Payments		
45. Cash Ratio [(14+20-10-11)/7]		
46. Operating Accrual Ratio [(14+20+26)/7]		
47. TIER [(31+26)/26]		
48. DSCR [(31+26+10+11)/44]		



(3005c) Operating Report for Privately-Held Rate of Return Carriers  
 Balance Sheet - Data Collection Form  
 Page 3 of 3

FCC Form 481  
 OMB Control No. 3060-0986  
 July 2013

<010> Study Area Code  
 <015> Study Area Name  
 <020> Program Year  
 <030> Contact Name - Person USAC should contact regarding this data  
 <035> Contact Telephone Number - Number of person identified in data line <030>  
 <039> Contact Telephone Email Address - Email Address of person identified in data line <030>

<010> 421912  
 <015> McDonald County  
 <020> 2018  
 <030> Andy Schein, GVNW Consulting Inc.  
 <035> 719-594-5820  
 <039> aschein@gvnw.com

PART C. STATEMENTS OF CASH FLOWS	
1. Beginning Cash (Cash and Equivalents plus RUS Construction Fund)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
2. Net Income	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	
3. Add: Depreciation	
4. Add: Amortization	
5. Other (Explain)	Deferred Income Tax
Changes in Operating Assets and Liabilities	
6. Decrease/(Increase) in Accounts Receivable	
7. Decrease/(Increase) in Materials and Inventory	
8. Decrease/(Increase) in Prepayments and Deferred Charges	
9. Decrease/(Increase) in Other Current Assets	
10. Increase/(Decrease) in Accounts Payable	
11. Increase/(Decrease) in Advance Billings & Payments	
12. Increase/(Decrease) in Other Current Liabilities	
13. Net Cash Provided/(Used) by Operations	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
14. Decrease/(Increase) in Notes Receivable	
15. Increase/(Decrease) in Notes Payable	
16. Increase/(Decrease) in Customer Deposits	
17. Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18. Increase/(Decrease) in Other Liabilities & Deferred Credits	
19. Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20. Less: Payment of Dividends	
21. Less: Patronage Capital Credits Retired	
22. Other (Explain)	Transfer of Investments and advances to affiliates, net
23. Net Cash Provided/(Used) by Financing Activities	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
24. Net Capital Expenditures (Property, Plant & Equipment)	
25. Other Long-Term Investments	
26. Other Noncurrent Assets & Jurisdictional Differences	
27. Other (Explain)	Cash Value Life Ins.
28. Net Cash Provided/(Used) by Investing Activities	
29. Net Increase/(Decrease) in Cash	
30. Ending Cash	



**PHILLIPS, SALMI + ASSOCIATES, LLC**

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors  
McDonald County Telephone Company  
Pineville, Missouri

We have reviewed the accompanying financial statements of **McDonald County Telephone Company** (a corporation), which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of income and retained earnings and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Phillips, Salmi & Associates, LLC*

Washington, IL  
June 14, 2017